


ADDRESSES
of
Hon. William H. Taft and Hon. James M. Beck

At the
ANNUAL DINNER
of the
THE TRAFFIC CLUB OF NEW YORK
Held at the Waldorf-Astoria Hotel
February 21, 1916

ALSO THE ADDRESS OF
Dr. T. Iyenaga
Before the Club, January 25, 1916

The Traffic Club of New York
291 Broadway



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ADDRESS OF HON. WILLIAM H. TAFT

Gentlemen of the New York Traffic Club: This, I believe, is the first time that I have had the pleasure of attending one of your dinners. How I missed a dinner in this country of a hundred millions, I don't know, but this is the first time that I have been with you.

It is quite true, as your President says, that I was detached. The operation was violent, but it was completely successful.

The President has told a story. Of course, I cannot deny it. No man is a gentleman that denies a story under such circumstances, but the story reminds me of another. Possibly you have heard of the minister in Brooklyn, who went to see Mr. Beecher, and asked him if he could help him in a matter that came up in his church. Mr. Beecher said he would be glad to. Said he, "I have a number of very dear men, men who support my church, pillars of the church, and they sit in the prominent pews, and it is very difficult for them to stay awake, and during my sermons their somnolence is so evident that it really disturbs the audience and the dignity of the occasion." Now, said he, "I want to ask you what I ought to do." "Well," Mr. Beecher said, "send for the sexton." "But," he said, "it would not do to send for the sexton to come down the middle aisle and arouse these dear, good people. It would make it even more conspicuous than to allow it to go on." Beecher said, "We don't send him down the middle aisle; we send him around to wake up the preacher."

I do not claim to be entitled to membership in this club. However, I think I have run as many thousand miles of railroad as most people here, for I was on the Federal Bench from 1893 to 1900, in the Sixth Circuit, where we were undertakers for all the deceased railroads of that region, and I really felt like a railroad man.

I have had a good many distinguished railroad men under me, as receivers, and I am able to speak with some knowledge as to the practices of the railroads in those days. The fact is, the Judge of the Court had to be careful to keep his skirts clean, lest he be indicted under the Interstate Commerce Law.

Now, I am going to talk to you tonight as frankly as if we were sitting together in a club room. That is the advantage I have. I want to talk to you about the situation of the railroads today, and the situation of some other things today, and it is difficult to reach a conclusion as to them, without a little historical summary. Our present economic situation dates from some time after the war, when we began that enormous period of expansion, having gotten onto a good financial basis; a period of expansion that amazed the world, and it was largely due to combinations, combinations in the mechanical arts, the assembling of the simpler parts into the complicated machine, that saved labor, and increased the productive power of the workmen a hundredfold and more; and then the combinations of capital, the little rills and streams, and rivers of capital, were gathered into

great reservoirs, and were put in charge of men of business genius, who erected great plants, and united them all, for the purpose of the reduction in the cost of production.

Railroads were united into great trunk lines, and their value greatly increased—value to their stockholders greatly increased—and their value as transportation agencies doubled and trebled to the public by reason of the union.

Then there were combinations in politics, of which I shall speak a little later, and there were combinations among workmen, into trades unions.

This creating, this great advance, accumulated wealth, and made us rich beyond the dreams of avarice. It increased the comfort of all—the average comfort of all—and this was necessary in order that we might proceed further in intellectual and spiritual development, so long as it did not enervate us with the luxury that it brought about.

But these steps, these long steps in progress, like all other progress, developed evils, evils that called for remedy. The wealth that was accumulated by this means of combination, roused in those who controlled the means, a lust for greater power, and so those who were engaged in business, said to themselves, "Here is power that we could accumulate, if we could only monopolize this branch of business. Then we would be really up-lifters. We would reduce the cost of production, and we would fix the price so that we would get reasonable profits, and we would make the prices reasonable." No man ever went into a thing like that, thinking that he was not going to benefit the world. But it is too much power to entrust to any one man. And so in that effort, and in seeking that power, they found combinations elsewhere to help them. There were combinations in politics; there are always combinations in politics. There ought to be. Parties are combinations, and parties are essential to popular government. You cannot interpret the popular will into governmental action, except through parties. Then parties have to have organizations. And if you are engaged in hunting the dollar—that is, if we are all engaged in the chase for the dollar, and are absorbed in business and neglect our electoral duties, there are lots of people who will relieve us from any responsibility in that regard. And so we had the combinations in politics, and we had bosses and machines (and there were a good many of them that were not in politics for their health only), and they fitted into the purposes of those who were seeking control, and seeking, through legislation, to acquire the privileges that should enable them to establish an absolute control of the various branches of business which they were seeking.

And so we went on. The railroads too played their part. They helped the industrial combinations, with what you gentlemen don't know about, but with what I, with my longer railroad experience, do know about, with rebates, and it came to such a point that some of these industrial combinations collected rebates not only on the goods they shipped themselves, but on the goods that their competitors shipped.

Now, that produced a condition of things that created a danger of plutocracy. You know it, and I know it. There were great directorates by which delegates to conventions, members of legislatures, were ordered with the same degree of certainty as to their delivery, as steel rails and industrial equipment, and it began to agitate an alarm among the people, and they

demanded restrictive legislation. And it began with the Interstate Commerce Commission of 1887 and with the Anti-Trust Law of 1890.

It was a very mild provision in 1887. The Commission had but little power. It could hear and order, and then if the railroads chose to disobey, they went into Court and took a long time to establish the validity of the order, and so long a time that the litigation was almost forgotten before the order was confirmed and executed.

The railroads defeated the authority of the Commission, flaunted it, and it took twenty years by amendments to that law, to finally produce a law which took hold of the situation, and really regulated it by a control, the exercise of which now may be too rigid, and upon that I am going to speak further.

Now, history shows first that the people of a country control it, and that no element can defy the people. We hope the study of that twenty years is a very useful lesson. But the difficulty is that you cannot stir the people up with indignation for a just cause, and then hope that that great leviathan, acquiring the momentum that comes from a feeling of just indignation, shall only come to the medium line. They are bound to cross it, and they are bound to go to excesses, which are part of the cost of curing the original disease.

Now, we have had a great reform politically. We have had a great reform with reference to corporations, and with reference to corporate control of politics, and we ought to rejoice in it. But we also ought to know that we are in the aftermath of that reform, and that we are now suffering from excesses. We are having over-regulation, and we are having a number of things that this indignation has produced, that we must ultimately retrace our steps from; not to go back to the original abuses, but to go back to the medium line, and to the common sense treatment of the subject in hand.

I think our politics are very much less corrupt than they used to be. Of course there is corruption in some places, but on the whole there has been a great purification. Corporations have gone out of politics largely. Their contribution to political funds has been forbidden, and just like the enactment of the law that forbids passes, there is nobody that rejoices so much over that as the corporations.

At first the name of "Boss" and "Machine" became an anathema. The activity by corporations in politics, and the activity of bosses and machines was so much disliked, that the candidate who got first into the field and announced that his opponent was supported by the machine and the corporations, was the man who won. It was a question of who got there first with the declaration. But that is a healthy condition. I have suffered from it myself.

Now we have reached a point where I think the reaction is coming, where I think people are beginning to understand that we have gone too far. The hostility that was shown to corporations and railroads, among sensible men, I believe, is largely abated. These reforms manifested themselves in several ways, from which we are retracing, or are about to retrace our steps.

In the first place, it was said, because we are a people who admit we are a great people, that we could devise a governmental machine by which we could maintain purity in our politics, simply through the machine. The

trouble with us has been we have a representative system, and we have trusted somebody in office. Now, the thing to do is to devise a machine by which we shall trust nobody. The people will do everything themselves. They will legislate, themselves; they will execute, themselves, and some went so far as to say they will act as judges, themselves, in their own courts, and we had a direct democracy proposed; direct government. Well, I think people are getting tired of that. Legislation is an expert matter, and you might as well invite an entire population to build a bridge that it needs an engineer to build, or an entire population to prescribe for your sick child, when you need a doctor, as to hope that through a vote at an election, proper legislation can be determined upon and carried through. And it isn't to impeach the intelligence of those who vote. It is only to say they are like other men, that is all.

In Oregon they voted on thirty-one complicated statutes in 1912, and they circulated a book containing 250 closely printed pages telling the voters how they should vote. Now, I am addressing an intelligent audience, and I venture to say that there are not five per cent. of all patriotic men, of men who wish to do their electoral duty, who would read, if they had to vote at that election, that 250 page book, to find out about all the complicated statutes; and then the five per cent that did read it (when they asked themselves the truth), would answer that they did not regard their judgment, made up on that 250 pages, as worth anything, with reference to the value of the acts which were proposed, on subjects with which they were not familiar.

Men can vote for general principles, but legislation is an expert matter. It is something you send men to the legislature to prepare themselves for, lawyers and others, and who are there to discuss the matter, and the representative system involved in it is something that has been handed down to us—during a thousand years—hammered out as a means of making popular government possible, and making it a success.

Now, to go to this system of so-called direct government and pure democracy, is a retrograde step, brought about by the thought that through some machinery of government, we can relieve ourselves from selecting and exercising the judgment necessary to select men who can be trusted in public office. If the people are not fitted to select men who can be trusted in public office, then they are not fitted to exercise legislation directly.

And I could go on about this, but I want to come to something else. We have got the general primary. How do you like the general primary? Is there any sense of responsibility in the selection of candidates for it?

Now, the old convention, set up as it was by bosses, had many evils, and it certainly, if it is to be reintroduced, ought to be amended with all the care possible as to the selection of delegates to the convention. But even the old boss-ridden convention had some sense of responsibility, in putting in some men fitted for office, in order that the ticket might get votes.

That is not popular, I agree, but that is what you are coming to, and any man who has had any experience knows in his heart the truth of what I say, and that the general primary is a failure, and the way out is to go back to some system of deliberation, and responsibility, and knowledge, in the selection of decent candidates to put upon the ticket. That is another excess from which we are going back when the reaction comes, because one

of the reasons why I love the American people, one of the reasons why I have confidence in them is, that they have not any pride of opinion, and when they see they have been buncoed, they are ready to change in twenty-four hours.

Now, this hostility to corporate wealth grew into a hostility to all success, and ascribed devious and unjust and dishonest methods to the accumulation of wealth by everyone, and it resulted in State legislation and other legislation directed against corporations. "Hit a corporation and you were doing God's service."

Well, I think that is abating, but with respect to the railroads, it has led to a great deal of legislation, and the railroads now find themselves between the upper and the nether millstone. Their rates are not allowed to be increased; they are under the peremptory laws of forty-eight different States, and the regulations of the Interstate Commerce Commission, and they are facing demands by powerful labor organizations for increases in wages, such as to make their profits disappear into the Ewigkeit. Now, what is the trouble? You are having good earnings now, good gross earnings, and many railroads are receiving good net earnings. What is the trouble? What is it? Why is it that this year the increase in railroad construction is less in its percentage than in any year since the war? Why is it that you cannot issue bonds at long time, and have to shin around with one year and two year notes? It is because the investing public looks into the question and sees that you are not getting what, in ordinary terms, would be called a "square deal."

Now, why not? You have the Interstate Commerce Commission with power to control interstate rates. You are not permitted, until the Interstate Commission says so, to raise those rates. Let us assume that that is right. But you ought to have a prompt decision, so that you, like all industrial work, like all business, may vary the prices of what you furnish, according to the conditions under which you furnish it.

Therefore you ought to have it arranged so that if you do make excessive rates, those against whom you charge them may have the right to get them back when they are decided so to be, but the railroads ought not to be compelled to await a long hearing as to increase in rates, when those increases subsequently are shown to be fair and right, and lose that fair increase that they ought to have, just because they have to be investigated by an Interstate Commerce Commission.

And you can have machinery. I have been a Chancellor. I have been in a court of equity, and I know that you can have an arrangement, either by order of the Commission or by statute, by which the rights of both sides can be protected, and still the railroads may have that freedom of action that they ought to have in meeting conditions that change from time to time, that naturally affect what is a fair rate for transportation.

Now, another trouble is that you have got forty-nine different masters, and this hydra-headed regulation involves busybody legislation, which ought all to be, so far as may be, under our Constitution, under the control of one body. It ought to be uniform and symmetrical.

Now, under the decision in the Minnesota rate cases, and in the Houston Central Railway case, there is a strong indication that there is a field for Congressional activity which may bring about much greater uniformity in the management of interstate railroads than can be now

exercised under the Interstate Commerce law. It will require great construction ability on the part of him who drafts that law, and a complete knowledge of the limits upon Federal and upon State authority. But it can be drawn, and these various State laws that now control interstate commerce railroads, if the jurisdiction is taken over by Congress, may be so minimized in their effect, and a general uniform system may be so created, that the operation of the railroads shall receive again the freedom of operation that their managers ought to have, and consistent with proper regulation. Because, my friends, regulation has come to stay, and you might as well recognize it, and the railroad men today who are in charge of railroads do recognize it. You may not be willing to say so to me, but I am willing to say to you, that I am looking into the faces of men who rejoice that regulation has come about, and that railroads have gotten into a respectable, lawful, business, and that you are not engaged in a business which made you, every time you went to bed at night, wonder whether you were going to get up with a lawful indictment against you in the morning.

But while we have regulation, it ought to be reasonable, and it ought to be as near unified as we can make it under our system, and I do not think, in view of the fact that the prosperity of the railroads intimately affects the prosperity of all business in this country, and in view of the fact that the prosperity, the permanent prosperity of the railroads is very much interfered with by this hydra-headed system (for that is what it amounts to), that there is any question in our domestic legislation that is so important as the devising of new legislation to increase the machinery of the Interstate Commerce Commission, so that the business, the enormous business before that Commission, may be properly disposed of.

It may be that they ought to divide and have Commissions of original instance, and commissions at Washington of appeal. I don't know; it is a question for consideration, but certainly the business of this country in railroads is sufficiently large to justify all the machinery that is necessary in regulation, to prevent that regulation from being an obstruction.

Then if you take over this other legislation of the States that now affects interstate commerce, and put it under Congressional action, so that it shall be uniform, I think you may yet be happy.

What is going to be the effect of it, if it continues? If railroad construction is not to increase in response to the demands of the growth of general business in this country, what is going to happen? One thing is going to happen: If railroad capital, that is so invested now that it cannot get out (which seems to rejoice some people who are glad to get anything out of the railroads they can for nothing), then the public will ultimately find out (because it is human nature, and it cannot work any other way, and it is an inexorable economic law) that ultimately the service that is rendered by the railroads with no reasonable profit for them, is going to diminish in efficiency. It cannot be otherwise. And the shipping public will find it out.

But there is a part of the community that is glad to have the railroads in the hole anyhow. They want a condition produced in which there seems to be no future. It does not feaze them to tell them that capital is frightened away from railroad investment. It does not trouble them to say that you cannot compel capital to interest itself in an investment that does not pay. They welcome that. That is what they are looking for. They want

the condition presented by which there is no way of getting capital except by getting it through taxation. That is, "We will buy the railroads for the government; then we will run them as we please; we will pay the wages that seem fair to us; we will reduce rates and then the deficit we will pay out of the public treasury." That is what government ownership has meant all over the world, except in Prussia. In Prussia they have earned some reasonable profit in their government railways, and they have done it because they have run their railways as the Emperor runs the army, with only one man at the head, who is not controlled by political considerations, who can run it as absolutely as the President of a railroad company and his directors can run it here, or more so. Now, they have been able to make a reasonable profit, but in Austria, in France, in Belgium and in Canada the record for profits of the railroads is one that is most discouraging to those who hope that government operation may be carried on with any degree of success, either in making a profit for the capital invested or in giving as efficient service as private management gives.

Now, I think that this alternative that is presented, an alternative that we are getting so accustomed to, by seeing it mentioned in the papers, and by having it officially investigated in connection with the treatment of railroads, presents a most deplorable future. The glory of this country has been in the energy, in the courage, in the foresight and in the ingenuity and genius of free business management. The glory of the country has not been in any government business management that we have undertaken, and I speak of it with some knowledge.

Now, you take the Post Office Department. That came to us by tradition, and on the whole, I suppose it has been well run, as well run as a business like that can be run under our government. But nobody knows what the balance sheet is in respect to it. Nobody knows what the overhead charges are. Nobody knows how much ought to be charged in order to pay expenses.

They do know that if they do not pay anything to the railroads for carrying the things they collect pay for carrying, they can make a profit. It is a question of bookkeeping.

Now, there is another feature that we might have a reform in. I have appointed Postmasters General. I have been in cabinets with them. They are just as good and they are just as much affected by those considerations that affect other men, as other men. That is, they want to make a good showing. Now, when they want to make a good showing, they naturally wish to reduce the expenses. Are they fair judges to receive the power to absolutely decide how much they shall pay to the railroads for services rendered? I do not think they are. The history of that matter I am not going into, except that I do know that the railroads have never had a fair, judicial investigation into what they ought to have for the services they render.

Now, I am not now and have not been in the past unmindful of some of the things that the railroads have done. But I believe that they have seen the light, and I believe they are struggling to conform to the law, and that they are doing the best they can with a heavy burden, and therefore I am in favor of doing justice to them. We are all in the same boat, and you cannot do injustice to one element in the country that in the end the whole community does not suffer, and that is the case with the railroads,

important as they are, both as the arterial circulation of this country, and as representing a very large number of people, property-owners, and representing also the efficiency (or they ought to) of transportation which is so essential to the general business of the country.

And so, my friends, what I am here for now is to say that the time has come for a general overhauling of the laws of Congress that affect railroads; an improvement in the machinery for the bringing about of dispatch of business, and an improvement in the machinery for bringing about a just assignment to the railroads of what they have earned from the Government; a proper form of legislation which shall exclude, as far as possible, the nagging and irregular control of interstate commerce, and interstate railroads through State legislation, by the assumption by Congress of the power it has to control interstate railroads and interstate commerce. Let us do justice. Let us do justice, my friends, even to a railroad. (Loud and continuous applause.)

ADDRESS OF HON. JAMES M. BECK

Mr. President and Gentlemen of the Traffic Club: I assure you with absolute truth that I did not pay the President of the Traffic Club anything for the very handsome advertisement of my very modest contribution to literature.

While I appreciate very much what he has said with reference to it, I can only say that I feel, with that very handsome but undeserved encomium, very much in the position of Dr. Johnson when, having visited the King of England, and upon receiving an audience and having returned, and having told with great fluency the results of the interview to the ever-faithful Boswell, and that the King had been pleased to comment in the highest terms upon his (Dr. Johnson's) dictionary, and with what Boswell said: "And what did you say when the King praised your dictionary?" And Johnson said, "Why, my dear sir, am I the man to bandy words with my sovereign? If he says my dictionary is so good, it must be so. At all events, I so accept it."

I want to congratulate the President and the members of the Traffic Club upon this most successful dinner. In these days of great dinners it is very nearly, if not quite, a record-breaker both in size and in enthusiasm. I think the President, upon whose shoulders I assume, after the manner of all similar organizations, the details and responsibility of the dinner have largely devolved, may take to himself the self-complacent satisfaction of the distinguished actor who had recently lost his father. As he was going down the street, he met a friend, and the friend started to condole with him, saying, "And did your father have a large funeral?" With that the professional instinct overcame the actor, and he said, "A large funeral! Why, there was standing room only; we turned them away."

Now, such indeed is this dinner; and if it lacked any other reason to make it wholly notable, you certainly have it in the presence tonight and in the very learned and instructive address by a former President of the United States.

I am not sure that I agree with all that he has said, although nearly all that he has said has my hearty concurrence. If I venture to differ in any respect, I would say, as my own belief, that the Almighty might, in His infinite power, have created a body of men with sufficient wisdom to fix the rates for all the railroads of the United States, but that the Almighty has not done it.

But it is a great pleasure even to meet Mr. Taft, because I don't know anyone who radiates, in so generous and splendid a degree, the spirit of optimism. I have no doubt that if the President, instead of sending the Talleyrand from Texas, whose chief qualifications seem to be that he can walk over a pan of dough and leave no footprints, to Europe, had sent Mr. Taft as Minister Plenipotentiary and Extraordinary to all of Europe, and if Mr. Taft had only been able on such a mission to get Von Bechtold, and

Buhlein of Austria, and Bethmann-Hollweg and Jagow of Germany, and Vivian and Briand of France, and Sir Edward Grey and Asquith of England in one room, and with that infectious laugh of his could say, "Now, boys, what is all the scrap about?" there would be almost immediate peace.

Now, I do not say that from any excessive respect, simply for the fact that he is an ex-President of the United States—although that in itself would give dignity to any individual, because I have been in Washington and perhaps feel that, after all, the President is a very ordinary mortal.

I remember a story that Mr. Taft's distinguished and lamented and well-beloved predecessor once told of himself—I mean Mr. McKinley. When that great man was visiting Indianapolis, he learned that James J. Corbett was in town, and it occurred to the President that as "Gentleman Jim" was, as his nickname implied, very much of a gentleman in his outward exterior, whatever his profession might otherwise imply, that he would like to meet Corbett, and so he asked him to come to the hotel. And Corbett went to the President's room, and they had a very pleasant chat, and the pleasant impression that McKinley had of Corbett was thus confirmed, and McKinley having another engagement said, in his charming manner, "Mr. Corbett, we are about going to such and such a place, and perhaps you would be good enough to accompany us," and Corbett, of course, treating it as a royal command, as any loyal American would, said that he would, and as they left the room and went down and out of the hotel, there was a great crowd gathered around the entrance, not to see the President, but to see Corbett. And McKinley heard one little street gamin say, "There he is! There he is! That is 'Gentleman Jim.'" And the other said, "Yes, I see him, and I know him; but what is the name of his trainer?"

Now, of course, there is not entire credit due Mr. Taft for being an optimist, for he comes from Ohio, and Ohio gets, or at least, until recently, got most of the offices, and having that generous, or at least that special aptitude for public service, it would be very strange if an Ohio man was not something of an optimist.

You may remember that in the city of Washington there is a statue erected to the great homeopathic physician, Hahnemann, and in the early days of McKinley's administration (Mr. Taft reminds me of it and hence these stories), a Tammany Democrat, who was out of office, and who had no prospect of any, happened to visit Washington, and he came down to this statue, and he looked at for a while, and he read the name, and he said, "Ah! begorra, it's a great thing to come from Ohio. They erect even a statue to you if you are only a Hanna man."

Well, I fear I have indulged in enough playful bandinage, for what it is worth, but that seems to be a fitting introduction to any address, and therefore let me address myself for a very little while to a subject which was suggested to me by reading the evening papers.

We are on the eve of a great holiday of the American people. Within a very few hours the 184th anniversary of the birthday of George Washington will begin. Such a time certainly predisposes to patriotic thought, certainly in a great crisis for our country, as this world crisis undoubtedly is. It is a good time for us to think just a little of Washington, for there never has been a time when each succeeding generation of Americans, and when each succeeding successor of Washington in that great office, did not

feel, in looking back upon that great masterful and heroic character, as though he was the shadow of a great rock in a weary land.

You know, it is just 132 years since Washington's birthday was first celebrated in the city of New York, and I was interested to take from a local paper a reference to that first celebration in this great city. It is taken from a New York paper of January 17, 1784. It says:

"Wednesday last being the birthday of His Excellency, General Washington, the same was celebrated here by the True Friends of American Independence and Constitutional Liberty with hilarity and manly decorum ever attendant to the Sons of Freedom."

Well, now, the hilarity and manly decorum is evidently an American tradition, for it has been observed in the highest degree by this audience tonight, but if you will look into the records of Fraunces Tavern, of this city, you will get a new light upon the hilarity of those days, for among the archives is a little bill rendered by the then proprietor of Fraunces Tavern to the State of New York for a dinner given to His Excellency, President Washington, and the French Ambassador. We know exactly how many diners were there on that occasion. They numbered exactly 120, and I hope Oscar, if he is within the sound of my voice, will listen as I take from the bill what the 120 diners, including Washington and the French Ambassador, actually drank: 136 bottles of Madeira, 36 bottles of Port, 60 bottles of English beer, 30 bowls of flowing punch, and among other items is one for the wreckage of forty glasses and six broken decanters.

Those were the good old days, and perhaps we have degenerated in the matter of hilarity and manly decorum in that Oscar will, I believe, record no broken glasses tonight, and certainly there has been no such free flowing of the bowl that inebriates, as was witnessed on that historic occasion.

Now, Washington—and I want to refer to it to draw very briefly an application to current problems—was and is a master among men, but it is easier to state the fact of the mastery than to analyze the causes. Unlike every great man, of whom we have knowledge, Washington was a very great man to all his contemporaries, with very few exceptions. Perhaps the explanation lay in that line of King Lear. Lear asks Kant why he admires him and wishes to serve him, and the intrepid and independent Kant says to Lear: "You have that in you which I would fain obey," namely, authority, and yet if we sought to analyze the reason of that authority, there is something that eludes all the troubled pages of history, and makes it exceedingly difficult for us to understand it. For example, he was not a very learned man like Franklin. He was not a philosopher and an imaginative idealist like Jefferson. He was not an acute Constitutional lawyer like John Marshall, James Madison or James Wilson. He was not a man of vigorous and aggressive temperament. He was a self-made man, a man very shy and diffident. He had no desire whatever except for privacy. He never sought any position. He always willingly laid it down when his work was done. He rarely expressed an opinion, and never any, unless it was solicited.

Why, it is a remarkable thing that, although Washington sought to have a consolidation of the Union, through the Constitutionl Convention of 1787, which owed its beginning and its successful fruition almost exclusively to the inspiration of his great example, when that convention met and when all its members unanimously selected as the one man of America to preside over the deliberations, the great general and statesman,

and that in the four months of deliberations of that convention, in the midst of the stormiest debates, at a time when it seemed as if all their labors would break down into an impotent conclusion, never until the closing hours of the convention did George Washington say a word. He was the silent man of the convention, and whatever influence he exercised was largely that of his potent personality which seemed, I suppose, almost to forbid by an imperative prohibition, the separation of that convention until its great work was done.

He was a man so fashioned that when he became Commander-in-Chief of the Armies, he simply said that he would keep an accurate account of his expenses, and at the close of the war would render it against the Government, but although he took his life and his reputation in his hand, he would not take one penny for the services that he was about to render, all of which would seem to indicate that he would have made a rather poor President for the Interborough Railroad.

He had a wonderful fidelity. When he was President, in the City of New York, he was a very ill man. We sometimes do not remember that fact. He was quite deaf. He was suffering from a painful malady that racked his frame by day and by night, so much so that even when he rode in his carriage he was obliged to recline because of the intense pain that his malady gave him, and yet he observed his duties with such scrupulous fidelity that never was his absence from the seat of government commented upon as interfering with any great public function.

But he had an Attorney General, and this Attorney General did have an unhappy faculty (his name was Charles Lee) for absenting himself from his duties, and I don't know whether he went on the Chautauqua Circuit or not, but at all events this is the letter that Washington wrote him:

"This letter is for your eye only. It is written for the purpose of expressing my regret for your continued absence from the seat of government. Rely upon it, it is productive of unpleasant remarks, in which I must be involved. It indeed is considered as making a sinecure of the office. Let me entreat you therefore to come without delay to New York, and I remain, with great esteem,
George Washington."

I only make these passing references to the Father of his Country, because if there was one subject which was very near to his heart, which was the cause of all his troubles and tribulations, it was the great question of preparedness. I don't believe that we altogether appreciate the tremendous difficulties of the task that Washington assumed when he took command of the Army of the United States at the outbreak of the Revolution. There was not at the time a powder mill in the United States; there was not one large manufacturer of muskets in the United States. When the 16,000 minute men within a week after the battles of Lexington and Concord had gathered at the gates of Boston, by an actual inventory of all the supplies in New England, there was not one pound of powder apiece. Moreover, there was not paper for eartridges or lead for bullets. There were not muskets for the men, and that explains far more than any other cause why the splendid army of 17,000 men so quickly melted away after the first reverses, and why Washington later, with only 3,000 men, could cross New Jersey in the masterly retreat he made, and

why, in the dismal winter of Valley Forge only a few thousand men were left to testify with their heroism and their fidelity to Washington the love of country which they shared with him.

The fact of the matter is that during the Revolutionary War, according to the actual records of our Government, over 400,000 men enlisted, but there never were 17,000 men, exclusive of the French contingent, which Washington could command. And therefore the one tale that runs all through his despatches in those terrible days, terrible to him because upon his broad shoulders the final responsibility rested, was the lack of preparedness. A lack of preparedness was excusable in Colonial Days, when manufacturing was still in its infancy in the country, when everything was imported, and when England had the sea power which made it difficult, if not almost impossible, for supplies and ammunition to come to us—I say, excusable as it was in those days, yet that which troubled Washington above every other consideration was the fact that he was denied the wherewithal with which to fight. Moreover, when he became President, nothing sat upon his great heart with greater solicitude than this same question of preparedness.

I wish I had the time, but I have not, but I commend to those of you who are interested in the question, the masterly state papers that Washington wrote in his two terms as President; and most especially the personal letters he wrote, some of which are beautiful beyond words; but in all of them he was always impressing upon his countrymen the absolute necessity of preparing this country to play the part which he, with his prophetic vision, believed it would play in due time in the family of nations. While it is true that in the day of its infancy, he recommended for it, especially in the farewell address, a policy of political isolation, yet nevertheless to his prophetic vision a time would come, which in one of his letters he fixed at twenty years, when this country would undoubtedly be so strong in its resources, provided that it prepared itself with adequate care and intelligence, that it would take a very high and honorable part in the councils of civilization.

The last letter that he ever wrote was a letter to Alexander Hamilton in which he advised strongly the idea of what is now West Point, and his last message was a plea for a greater navy, and his second inaugural address was a plea for a greater army. No one could appreciate the fact more than Washington, of the country's need for preparedness, because when he took the reins of government in this city of New York, on that very day that he took the high oath of office, without a Congress to help him, with nothing but the Constitution of the United States in his right hand, and his good, brave, sagacious brain under his cocked hat, Washington then confronted a situation, in which the nation had no navy, had no army, its currency was worth eight cents on the dollar, and the conditions were such that we would have been, but for the potency of his great name, an easy prey for almost any nation in the world.

But even in that condition so far was he from being a "peace-at-any-price" man, that in the last days of his life, when for the last time, as he thought, he had laid down the reins of office, when he had retired to Mount Vernon well into his sixtieth year, to enjoy the privacy and rest which he so richly deserved, and when a European nation attempted to override this country and trample its rights upon the high seas underfoot, it was then

that Washington volunteered again to come from Vount Vernon, to put himself in his sixty-eighth year at the head of the little Army of the United States in order to defend the country and to vindicate its good name in civilizational.

Now, as I have said all that because I read this in the Evening Post of tonight, and it prompts very largely the character of my remarks:

“Washington, February 21st. A new army reorganization bill, federalizing the National Guard, increasing the regular army to 134,000 men, doubling the Field Artillery, increasing the Engineer Corps by 15 companies, creating four squadrons of air craft, and an entirely new corps of cadets, was agreed upon tentatively by the House Military Committee.”

Now, I want to emphasize to you, especially because you are traffic men, that traffic has a most intimate connection with the operations of war, because modern war is a question of chemistry, it is a question of production, and above all it is a question of transportation, for all the marvels of mobilization which were witnessed in the year 1915, such as the world has never hitherto known, were all made possible by the genius of the locomotive. It was not an isolated case when a French engineer, whom I have heard of, who had worked for thirty-six hours in those days of mobilization, taking trainload after trainload of troops to the front, when told perhaps he needed a rest, said, “I can hold out if my engine can hold out.” So I say transportation plays a very vital part.

Now, I want to commend to you, if I can do nothing else, just a few facts taken from experts, not taken from those to whom the subject is but a matter of passing interest, but taken from those who have given it a life study. The Secretary of War about fourteen years ago appointed a military board for the purpose of making a most careful investigation of the defenses of this country, and therefore sought the opinion of nearly every officer of the United States, high and low, who would give his opinion, and after the opinions were all assembled, this body of trained experts took two years to formulate their report, and that report said this: “That there were at least three European nations that within a period of fifteen to thirty days could put more than a quarter of a million men upon our coasts.” That was not only verified by subsequent investigations and reports of one of the greatest military powers of the world, but the experts of our War College in a much more recent report, published last December, gave these very startling figures:—not to be invidious, I am not going to name any nation, but one of the great European nations—taking the existing tonnage of that nation, and utilizing only one-half of that tonnage for the purpose of transportation, that nation, according to the experts of West Point, who gave a very careful study to it, could put upon our shores within sixteen days, 387,000 men and 81,000 horses, and within thirty days, 440,000 soldiers more. And another power, not in Europe, but in the Orient, could, according to the same reports, within twenty-three days, put 95,000 men and 24,000 horses upon our Pacific Coast, and within forty days could put 142,000 more men and 36,000 horses.

What have we got to oppose it? We have at present an army of 105,000 men. Of those about 18,000 are in our coast defenses, about 38,000

men are in our far-flung Colonial possessions, and eliminating the remainder that are necessary for army posts, many of which are largely useless and the results of Congressional graft, and you have the only mobile army of the United States, exclusive of our militia—about 35,000 men. If you add to that the National Guard to the extent that military experts say they are effective—namely, 86,000 men—you have a little over 100,000 men as a mobile army, to defend 21,000 miles of coast, and a country 3,000 miles wide, and I do not know how long, from the Lakes to the Gulf.

Therefore, we have only 100,000 mobile soldiers to meet a possible invasion of over a quarter of a million men from any one of three great Powers, utilizing one-half of their tonnage for the purpose.

And the only reply of Congress, so far as we can anticipate its ultimate action, and by taking the recommendation of the Committee of Congress which has the matter immediately in charge, the only reply to the patriotic appeals of the President of the United States for a greater measure of preparedness; the only reply to the agitation and the warnings, that have been given in twelve months, by the most enlightened men of our country, is to increase our army from 105,000 men to 134,000. In other words, the lame and impotent addition of 29,000 men, in the greatest and most dangerous crisis of the world, to meet possibilities that no man, within the sound of my voice, or within this country, can foretell.

Now, if George Washington could come into the Waldorf tonight, clad in his silken suit of the eighteenth century, with his sword by his side, with his benignant countenance, and could pick up the New York Evening Post and see that the very curse of unpreparedness, that troubled him in his days, and that has troubled every American President since, is now troubling the present President of the United States, and, in the face of the most tremendous warnings that any nation ever had as to the possibilities of the present international complication, that all that Congress will do is to make a beggarly increase of 29,000 men, I think he would say that the days of his trials had come again, and that the country had learned little in the more than 116 years of history since he died. Why, gentlemen, it is not merely a question of men. The subject is far broader than I can possibly indicate. I might tell you, which is the fact, that if our coast artillery were to be fired simultaneously, there is not powder in the United States sufficient to fire for one hour.

I might tell you, according to the report of General Weaver, of the Ordnance Department, given only last December to the President of the United States, that there are \$40,000,000 worth of artillery that has not got the men to man it; that over 138 of our greater guns have not got a single man to fire them, and as General Weaver states, our coast defences at present, unless they are properly manned, and unless there is a mobile army to protect them, will be a source of positive danger to us, because, if ever an invasion shall commence in this country, by such an army as our War experts show to be easily possible in this day, when the sea is an unobstructed tract, I say, if that should come, and our coast defences should be captured, why, those magnificent guns at Sandy Hook, that I see from my summer home, need only to be turned to the skyscrapers, which, on a very clear day, can be readily seen from Sandy Hook, and New York could be laid into stones and ashes with a swiftness that would shake us out of our false sense of security.

Now, the subject is much too broad to discuss here. I only want to commend it to you because, if the American people do not wake up to this problem, they will have a rude awakening some day. I am perfectly aware that many will say, "Well, who is going to invade us, and what is the danger?" I only say this, that while it takes two to make peace, it only takes one to make a quarrel. I will go further, that not only is it possible for a number of European nations to pick a quarrel with this country, if they want to, but it is always within the power of the President of the United States to pick a quarrel for this country, if he so desires, because, while the Constitution expressly vests the power to declare war in Congress and in the President, yet, as Mr. Taft, as a Constitutional lawyer will bear me out, in the practical workings of the Constitution, it has been shown again and again that a President can at any time, without the concurrence of Congress, but as a matter of practical procedure, take such steps as make war absolutely inevitable. It may be at present there is no danger of it. We do not know who is going to be President. We never know who is going to be President from day to day. One of our most beautiful and happy political habits is to take, at times, the most woebegone and forlorn member of the community and make him Vice-President, to get rid of him. We never know, from day to day, who is to be President of the United States, and therefore how can we tell in the exigencies of American politics, in the uncertainty that attends any presidential election, who will be President, and whether or not there may not be, with or without the consent of Congress and the American people, steps taken that make war possible.

Now, please don't understand that I deprecate war. I would infinitely rather have war than a dishonorable peace. I would infinitely rather have war than that the name of this country should be tarnished. I would infinitely rather have war than that this country, in the perspective of history, shall be regarded by future centuries as having played a selfish and ignoble part, in the greatest of moral crises that civilization has ever known.

But I am purposely, because of the spirit of this occasion, and because I would not willingly hurt or offend anyone, restraining from any expression of view as to what should be done at present. I only take it as an illustration, which sensible men ought to appreciate, that in the years that await America, in the indefinite future, that, in the evergrowing intimacy of our relations with European states, which no political tradition can long prevent, there will be times when there will be the most sudden danger of war. And I tell you, gentlemen, you can no more improvise an army, after a war is declared, than you could improvise a fire department after a conflagration is started. You would not, for example, improvise a medical staff in this city after an epidemic has fallen upon us. You would take some precautions for the future. And the only thing that a nation of 100,000,000 of people, wedged as it is between the Orient and the Occident; a nation by its wealth and its power inviting attack, if selfishness is to be the watchword of international relations, the only thing it can do, if it have the slightest regard for its safety, if it have the slightest respect for all that which George Washington did for his countrymen, is to be ready, in a manner proportionate to the greatness and the wealth and the power of this country.

Well, I am not going to speak more, because it is late. I have not a great deal of faith that we will prepare, and I will tell you why, and it goes

down to the philosophy of it. This is the age of scriptural quotations, and I have one that I think fits this case: "Where there is no vision, the people perish." It is an unfortunate fact that everything has predisposed this country to what might be called the parochial view of its relations to the rest of the world. The business of our country has tended to the localization of our thoughts. Our dual form of Government decentralizes authority, from the center to the uttermost ends of the land, and again predisposes to a parochial view. Our heterogeneous population tends to prevent the expansion of our activities in foreign relations, because we have thereby given a hostage to every nation from which our blood has in any manner been derived. The perversion of the Washington tradition has also segregated our people, and to him, above all men, has been falsely attributed the idea that this country was, for all times, to be a hermit nation, like China, and was not to take that great and powerful part in the councils of civilization that its power, and its wealth, and its dignity, alike, justify.

But apart from these localizing tendencies, there is just one aspect, that Mr. Taft's presence reminds me of here tonight, that I want to put to this audience in conclusion. If there be any remedy for this frightful evil of war—I don't say there is, because it seems to be one of those offenses which, from generation to generation, must needs come, and of which we can only say, "Woe to him by whom the offense cometh,"—but I say if there is to be any remedy, it lies in the principle which, under the guidance of Mr. Taft, was announced in Independence Hall, and which, if it ever has fruition in the councils of the earth, will make that old tower of Independence Hall again like that of Pharos, streaming the light of its influence to the uttermost corners of the earth. I say, in Independence Hall Mr. Taft, and a group of representative men gathered, in this stormy crisis of human affairs, and they said, "We must advance a step beyond anything that has yet been undertaken in past history. We must recognize not only the obligation of each nation to avoid cause of war, but we must recognize the solidarity of humanity; in other words, the collective responsibility of every civilized nation for the peace of the world; that, in other words, it is not enough for any one nation, that happens to be out of a quarrel, to sit by and enjoy the fruits of its neutrality, and to say that it has no interest in questions gravely affecting the very bases of civilization, but that each nation should say that it too is its brother's keeper, and that it ought to stand ready to join hands with every nation in a collective effort, whereby each will undertake, if any justicable question arises between those nations, and if one of the two contending parties will not submit a question, thus determinable by the light of reason, to an impartial tribunal, that every nation in the league will assume and accept its share of the responsibility, devolving upon all civilization, to put down that attempt to disturb the peace of the world.

Who shall say that that is altogether an altruistic dream? I tell you when this war is over, there will be one passionate desire by the people of every country—a passionate desire, such as the world has never known before, to find a remedy for war—not only on the part of the people of the belligerent countries, but on the part of all of the neutrals, because, sooner or later, after our present temporary, and, to some extent, fictitious prosperity, we, too, will feel the burden of this gigantic cataclysm. I say, when that time comes, there will go up from the great heart of humanity that,

which the Germans call the "Volkschmerz"—the groan of the world at the colossal iniquity that is now being wrought upon the face of civilization, and when that time comes, unless mankind is in a hopeless cul-de-sac, unless we are in a blind alley, from which there is no possible escape, there will be a demand, limited to no one nation, for a remedy; and, so far as I know, and others who have given thought to the subject, there is no remedy, under present conditions of thought, except this acceptance by all civilized nations of their joint responsibility for the peace of the world, and the willingness of each to do its part in compelling recalcitrant nations to appeal, in a justicable question, to the arbitrament of reason.

Now, if we are going to take any part in such a thing, we must be ready to do our part. And how perfectly absurd it would be for us, with our little army of 134,000 men, after all this agitation, to sit in the Council Chamber of Nations and say, "We will do our part," when we have not the means to do it.

If we are going to carry out this idea, we too must accept our share of the policing of the world, and that consideration alone would have justified a far more generous consideration of the question of military preparedness than the Committee on Military Affairs of the House of Representatives is evidently going to give it.

Now, there will be no remedy until the people are awakened to it. I confess I do not see a great deal of evidence that the people are truly awake to the importance and gravity of the situation, but after all, it devolves upon us to do as Washington did, in his day, whether we are in company of a minority or a majority, whether we stand as he often stood, alone: Let us each and all, endeavor to spread the gospel of preparedness among our fellow citizens, and to impress them that it is an infinitely greater question than trade statistics, or even the regulation of railroads, or any other economic problem that can possibly suggest itself.

I said that Washington only made one speech, in the four months of the Constitutional Convention. Well, that was true, and it was partly untrue, because before the delegates had assembled, he made one speech, which I am going to use as my peroration, if you may call it such. He made one speech while the delegates were still gathering slowly. He said, trying to animate them with some of his own splendid moral power and courage—they were all discouraged and chaos threatened the country.—There would be anarchy unless a better Constitution were evolved, and yet the delegates gathered so slowly that two weeks after the time fixed for the commencement of the convention, I think only about one-half were present, and Washington stood in their midst and he said, "If we commend to the people that which we ourselves disapprove, how shall we justify our acts? Let us raise a standard of which the wise and the just may approve. The event is in the hand of God." So I say of this great movement to enable our country to play its due part in the world: Let us raise a standard, the standard of George Washington, of which the wise and the just can approve. The event is in the hand of God."

Address delivered before
THE TRAFFIC CLUB OF NEW YORK
on

“International Development—America and Japan”

By Dr. T. IYENAGA
Managing Director, East and West News Bureau

January 25, 1916

Before this distinguished body of business men here gathered, composed of experts in the traffic of transportation and other allied businesses, I have some claim, I believe, to appear not only to speak on the condition of the same trade in your neighboring State across the Pacific but also to express my profound admiration for the gigantic scale and efficiency with which you carry on your enterprises. For I have had a unique opportunity of observing the workings of your railroad systems and other means of transportation. During my service of eleven years at the University of Chicago, as a University extension lecturer, I covered your railroad mileage to the extent of many hundreds of thousands of miles, which perhaps is not so great as the distance covered by such a noted lecturer as Mr. William J. Bryan, it would be a rare experience, I believe, to a foreign, even an American, traveler. Of your great railroads—your Northwestern, Chicago, Milwaukee & St. Paul, Rock Island, Illinois Central, Chicago, Burlington & Quincy, Union Pacific, Great Northern, Santa Fe, Missouri Pacific, Southern Pacific and, of course, your New York Central, Pennsylvania, Baltimore & Ohio, Erie, Southern Railways, New England lines and others I cannot stop to mention—I have been a constant patron. And from the Pullman Car Company, the last but not the least I refer to, I am surely entitled to receive an order of merit such as, for instance, the Order of the Rising Sun conferred by the Mikado, for I have been a pretty good patron of their sleepers and diners!

It would be idle for me to dwell here upon the excellent organization, the palatial comfort, and the good assurance of scheduled time with which we travelers are served through the instrument of your business. What impresses me is that while you are piling up for yourselves mountains of gold by your business, you are at the same time rendering the most valuable service to the nation. The success of democracy in this country, it seems to me, depends in a large measure upon the success with which your endeavors have been crowned. You have given the lie to the axiom of Montesquieu that a Republic is unworkable in a vast country. That axiom holds true in the case of China, simply because her great dimensions are not yet abridged by a network of railways. Can you imagine that a Republic would prove a success in the country where there is such an awful lack of

the means of communication that it would take more than three years for a Presidential candidate to make a campaign tour through the land, if he were to visit its chief cities and towns?

I am further impressed by the thought that you have been chiefly instrumental in imparting to your fellow countrymen that free air and optimistic temperament so characteristic of Americans and so pleasant for foreigners to behold. These, I am confident, are the results of the freedom of movement Americans enjoy. They are not worried if they meet failure at one place; in that case they immediately fly to another town to try their luck there. This opportunity of finding oneself, of developing his talent and capacity to the utmost, is so bountifully provided here by the great extent of the country and the most facile means of transportation.

The remarkable progress Japan has made within the past few decades is mainly due, I assure you, to the wonderful development achieved in her systems of transportation.

In order to bring home to you the benefits which the present generation of Japan is enjoying by the improvement made in the means of transportation, I shall ask your permission to narrate my own experiences. When I was eight years old, that is 45 years ago, my mother took her children from our native town to Osaka to attend the sick bed of our father. The journey took us fifteen days to cover a distance of 350 miles. Today we cover the same distance within 14 hours. Railroads and steamers have thus revolutionized our ways of life.

Of Japanese railroads, however, there is nothing to take pride in, especially before you who have accomplished such wonders. I shall, therefore, content myself in pointing out to you some features of Japanese railways that are different from your own.

In the first place, the railways of Japan may practically be said to belong to the State, for as the result of the nationalization of railroads effected in 1906 about 87 per cent. of the total mileage open to traffic is now under State management. Of the aggregate working mileage during the year 1913-14, 5,473 miles in Japan proper represented State lines, 1,121 miles private lines, 697 miles the lines belonging to the South Manchurian Railway Company, 312 miles, that of Formosa, and 967 miles, that of Chosen or Korea, making a total of 8,570 miles. This is, of course, but a bagatelle compared to your immense railway systems, but you have also to remember that the Japanese Empire is smaller in size than your State of Texas. I, for one, have no faith in the Government ownership of railways—I believe only in their supervision by the State—for these enterprises are most economically and efficiently managed by private companies. But the lack of individual initiative in Japan up to a decade ago, the military considerations, and the necessity of maintaining uniformity in railway management and of through connection, so important to the welfare of the general community, which, however, private companies counting only their own profits often failed to achieve—these reasons induced the Japanese Government to take into its own hands the important lines of railways.

Another thing that strikes immediately American eyes is the smallness in size of Japanese trains. It is only after you have crossed the sea to Korea and South Manchuria that you meet such trains as you are used to. When the pioneer railway of Japan was laid in 1872 the 3 ft. 6 in. gauge was adopted, owing to the topographical and other conditions then ruling in

the country. The narrow gauge has, therefore, been universally adopted in Japan proper. The builders hardly dreamed that before four decades has elapsed they would be forced by the phenomenal growth of traffic to widen the gauge. To mend this blunder which Japan made in earlier years it will now cost her over 200,000,000 yen. The other day the Imperial Railways Board decided to advise the Cabinet for the reconstruction of railways on the basis of widest gauge at the expense of the sum just mentioned. It remains, however, to be seen whether the Diet will vote for it.

In the third place, passenger tariff rates are not uniform in Japan but divided in to three classes, and also differ according to distance covered. The second and first class passengers have to pay respectively 50 and 150 per cent. additional to the third class tariff. And the rates according to distances are graded thus: up to 50 miles, 1.65 sen per mile, up to 100 miles, 1.40 sen, up to 200 miles, 1.10 sen, up to 300 miles, 0.90 sen, and above 300 miles 0.70 sen. As one Japanese sen is equal to one-half of your cents, it follows that not only the third class tariff rate is much lower than that charged by most of your railroad companies but even the first class rate in Japan, if the passenger travels over 300 miles, is a trifle less than one-half of your ordinary rate. But as the wealth per capita of America is more than ten times that of Japan, it cannot be said that Americans are paying a high tariff to their railroad companies.

Another thing noticeable about Japanese railways is that whereas in most other countries the volume of freight and the receipts therefrom constitute the chief item of revenue, in Japan quite the reverse is the case, and the volume and receipts of passenger traffic always surpass those of freight traffic with the exception of the Kyushu and Hokkaido railroads where special circumstances rule.

The phenomenal development in the instrument of transportation, of which Japan can in a measure boast, is that of her mercantile marine. Barely half a century has passed since the prohibition on navigation enforced by the Tokugawa Shoguns, who made it a crime for Japanese to leave their country or to build ships of any size above 50 tons in capacity, was repealed. Today Japan has over one million and a half gross tonnage of steamers and half a million tonnage of sailing ships, making a total of 2,090,269 tons, to quote the exact figures at the end of 1914.

When Japan was brought into the family of nations and awoke to the consciousness of her insular and international position, she at once realized the importance of having a large merchant marine. Consequently the old policy of prohibiting navigation was completely reversed and that of protecting and encouraging shipowners and builders became the order of the day. But the history of the growth of Japan's merchant marine is a checkered and a long one too. Suffice it to say here that its development took place in three distinct stages, and it is significant that each stage is marked as its prelude by a foreign war Japan waged. Thus, the total tonnage of steamers which was only 15,000 tons gross in 1870 had risen to 42,000 in 1875, the year after the Formosan expedition, and to 88,000 in 1885; after the China-Japan War of 1894-5 it increased at a bound to 331,000 tons; and after the Russo-Japanese War of 1904-5 to 939,000 tons, and stood at 1,233,000 tons in 1910.

It should, thus, be apparent that the policy of the Japanese Government in giving patronage to shipowners and builders had a two-fold object,

namely, military and commercial. Until 1896, however, Japan formulated no definite plan for encouraging the shipping trade. In that year the laws relating to shipbuilding and navigation bounties were enacted. In 1909 the Ocean Service Subvention Law was promulgated and replaced the old Navigation Encouragement Law. "Under the new law, Japanese subjects, or trading companies whose partners or shareholders are all Japanese subjects engaged in transportation business receive navigation subsidies according to mileage, tonnage, speed and age in respect of steel steamships with a gross tonnage of not less than three thousand tons, a speed of not less than twelve knots, and not more than fifteen years old."

The principal steamship companies receiving the Government subsidies run regular steamers to Europe, North America, South America, Australia, China and Java. These companies are also engaged in the coastwise trade, and there are other companies so engaged.

The subsidy law above outlined was replaced in 1915 by a new subsidy bill which, however, introduced no material changes.

Side by side with the encouragement of navigation, the Government extended patronage to the shipbuilders. By the law put in force in 1910 the Government grants bounties to the builders of steel vessels of not less than 1,000 gross tons. By the end of 1914 there were altogether 244 private shipyards and 63 private dry docks in Japan.

Such, in short, is the story of Japan's shipping and railroad business.

The development of Japan's instruments of transportation finds its best reflection in the growth of her foreign commerce. The total value of her exports and imports in 1868, when New Japan was born, was a trifle over \$13,000,000. Nowadays her annual foreign trade amounts to over six hundred million dollars. This will show us that the total increase of the volume of her foreign commerce, during recent years, over that of 1868 is 46 times. Thirty-five years ago the value of Japan's foreign trade per head of the total population was \$0.73, whereas it is now over \$11.00. The trading power of a Japanese has thus been enhanced almost twenty-fold within half a century.

An analysis of the Japanese-American trade would easily convince us of its enduring nature, for the articles exchanged are either the peculiar products of the one or are those that are and will continue for a long time to be produced by the other to best advantage. You cannot produce silk and tea, while Japan is most deficient in iron and cotton.

Further examination of the distribution of Japan's trade among various countries will give us solid reasons for her solicitude to maintain American friendship. Among our trading countries the United States is our best customer. Our staple products—silk, tea and art objects—are chiefly consumed by the American people. Our exports to America form about one-third of the total exports. Our imports from the United States are also steadily increasing, so that the volume of trade with the United States, Hawaii and the Philippines, including export and import, which was valued at \$156,197,407 in 1914 constitutes about 25 per cent. of the total and comes next to the trade with Great Britain which still heads the list of Japan's trading countries. In view of these figures, which conclusively demonstrate the most vital interests Japan has in American friendship, he is indeed a fool, and devoid of common sense as fools are, who sees Japan's readiness to commit *harakiri* in waging war against her best customer.

What, then, is the prospect of the carrying trade in Japan? The present war could not but stimulate her shipping industries. German ships formerly carrying a great burden of trade in the Orient have been driven from the seas by the Japanese and British fleets. The great body of English and French shipping too has been withdrawn from the merchant trade in the Orient to assist the Governments in their war operations. As for the United States, she has followed her own whim by enacting a law which inflicts no small injury to her shipping interests. As an outcome of the Seamen's Bill the Pacific Mail S. S. Co. has closed out its business on the Pacific and transferred its ships of about 45,000 tonnage to the coastwise trade on the Atlantic. The Minnesota of the Great Northern S. S. Co. has also changed its ownership and the leviathan is seen no more on the Pacific. "To have thus suddenly inherited the rich patronage formerly bestowed on great lines like the North German-Lloyd, the Hamburg-American, the French Mail and the Pacific Mail, is an immeasurable advantage to Japan's merchant marine." In fact, Japan has been forced by circumstances beyond her control to the position of monopolizing the carrying trade of the Orient. She is not only handling alone the commerce of the Pacific, but has opened new lines or provided increased facilities to the South Sea Islands, to Bombay, a round-the-world line via Panama and the new Osaka Shoshen line to Europe. No wonder, then, that she is straining every resource to meet the new situation, that her shipping business is booming, and her shipyards working day and night.

The strengthening of national defense is the chief topic of the day in America. With the lesson taught by this terrible war, which has disillusioned us of our hope for the early dawn of the millenium and the speedy realization of pacifist dreams, I can well understand why the American people see fit to increase their military forces and armament for the safeguarding of their dignity and honor. I am, however, at a loss to understand why this tremendous outburst for big army and navy arouses but a faint voice for the upbuilding of American merchant marine which would serve both as a military arm and the purveyor of commerce. You may probably say "we have no thought of aggression and, therefore, feel no need of providing ships for the transportation of our troops over the seas." Would it, however, be the best strategy for a nation at war, even it be waged purely for defense, to sit tight at home and wait for its enemy to come to attack at its very door instead of striking him hard at his own door? Howsoever this may be, in the event America is engaged in a conflict with one or more great maritime nations of Europe, while her splendid fleet is doubtless sufficient to overcome any invading fleet, what would become of her foreign commerce?

If I am not mistaken, while your mercantile fleet of eight millions and a half tonnage makes America next to the greatest among maritime nations, the vast majority of your steamers plough your lakes, rivers and the waters near the coast, whereas your immense foreign trade is carried on mostly in foreign bottoms instead of native ships. So far as your traffic on the Atlantic is concerned, does not this ratio stand at enormous odds of 9 against 1? You are tremendously rich and can well afford in time of peace to pay annually \$150,000,000 or so to foreign shipowners. But once you are involved in war and deprived of the foreign vessels bearing the burden of your oversea trade, how would it fare? Will it not be completely

paralyzed at least for some time? Wonderful magician as America has proved to be, even her magic wand can hardly raise overnight a merchant fleet found wanting. Even today, when you are at peace with the world and, in fact, reaping the best fruits of a neutral, do you not feel strongly the pinch that because of the lack of ships caused by the bottling up, withdrawal from the carrying business, and destruction, of not a small portion of the merchant fleet of Europe, you are unable to utilize to the utmost the golden opportunity now afforded to push your trade with Europe, South America and the Far East? I am, therefore, constrained to confess my inability to comprehend the logic of your preparedness program that leaves out of it the upbuilding of the ocean-going merchant marine. I am not unaware of the drawbacks that retard the growth in America of such a fleet—high cost of construction, high cost of navigation, high wages paid to crews. We can run our steamers over the ocean at one-third of what it costs you. Against these you would grumble. Grumble, indeed, you must as your good English cousins, whether the blame lies in you or others. But while you are tying yourself by such a self-denying ordinance as the Seamen's Act, so generous to your competitors, it would be unfair for you to lay the blame upon the shoulders of Japan that the American flag has been swept out of the Pacific.

In the same strain you have been accusing "perfidious Japan" for violating the pledge to keep the "open door" in Manchuria and China. Is it not the *a b c* of business that when the advantages of distance, of cost of production, of cheap labor, of easy transportation are on your side you can invariably beat your rival without any recourse to an underhand method? Japan enjoys the advantages just mentioned in her trade with China. It would, then, be surprising indeed if she did not come out a winner in competition in the wide field of the "open door." Japan has, therefore, no need whatever for scheming to close the "open door." Against Japan's advantages, America has plenty of capital, mature experience, and splendid organization in business affairs. It becomes, then, evident even to an uninitiated such as I am in trade enterprises that co-operation between America and Japan would be a wiser policy to pursue in the Far Eastern trade than self-destructive competition or useless grumbling.

In conclusion, I wish to dwell upon what I consider to be the significance of the era we live in. Since the dawn of history all the nations of the world meet now for the first time face to face. Various efforts to unite the world have hitherto proved failures. The memorable efforts of Alexander the Great to amalgamate Asia with Europe reached only to the Valley of the Indus. And his influence, though great in a certain respect, was short-lived. The Empire of Rome, majestic as it seemed, only extended to the outskirts of Asia, to the promontory of its namesake—Asia Minor. The religious fanaticism of the crusaders once led them to Asia to bring it to the Christian fold, but their energy languished before the wall of Jerusalem. The predatory incursions of Monguls into Europe during the 13th century tended in a sense to unite Asia with Europe, but they were checked at Esclia in the vicinity of Rome and only left in their footsteps ashes of sacked towns and heaps of bones of the slaughtered.

It was only when the Franks and Anglo-Saxons, following the brutal instinct of Monguls, looted and sacked the summer palace of the Chinese Emperor in 1860, that out of its ashes there sprang up, with strange irony,

the spiritual temple of world's intercourse with four hundred million of China. It was only after the Americans had with wonderful energy peopled this vast continent and, then, spanning over the Pacific, knocked at the door of Japan that the singular "Hermit nation" was brought into the family of nations. It was only when Japan with an awakened energy showed her ability to cope with mighty Russia and introduced the East to the West that there began to dawn the consciousness of the world of its oneness.

During long periods of history Asia and Europe each has followed its own course of development. The mighty river of universal history seemed to run in two separate, deep-cut channels, unwitting how, when and where to unite. Historians have often complained of the lack of unity in history. Poets have vainly sought in their own imaginations to depict the common destiny of the world.

But now meet Europe, Asia, America, practically the whole world. They are made to move in one common course of history. If the present war has brought anything good to humanity at large it would be the realization of its oneness, that its different parts are infallibly related with one another. This is indeed a significant age. What part, then, will America play in the coming world drama?

